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NYSE: DNR Denbury.com

## **Background**



- Lek count surveys conducted 2007-2013
- Surveys funded by oil/gas companies, but were voluntary not required by state or federal agencies
- Known sage-grouse lek locations were provided by MTFWP, BLM, and NDGFD
- Surveyed all known and unconfirmed leks within 2 miles of project area
- Project area determined by lease area or unit boundaries from funding companies
- Surveys funded by:
  - 2007-2008: Fidelity Exploration & Production
  - 2009-2011: Fidelity E&P and Encore (jointly)
  - 2012-2013: Denbury (acquired Encore)



### **Main Objectives**



# Compliance and Monitoring

- Provide information on annual lek status
- Document male lek attendance and annual changes
- Ensure lek locations are up-to-date and accurate
- Search for new or previously-undocumented leks



# **Scope of Presentation**



- Only data collected by HWA are included
  - 2007-2013 (7 years)
- Represents a preliminary non-statistical assessment of trends in sage-grouse male lek attendance and lek persistence
- Several important landscape features not considered for this presentation (i.e., vegetation, topography, wind farms, overhead power lines, roads, etc.)
- More comprehensive analyses are planned for the near future

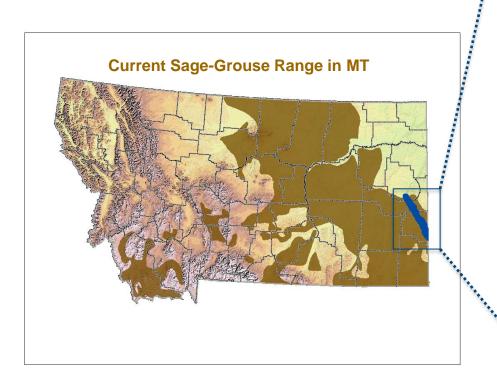


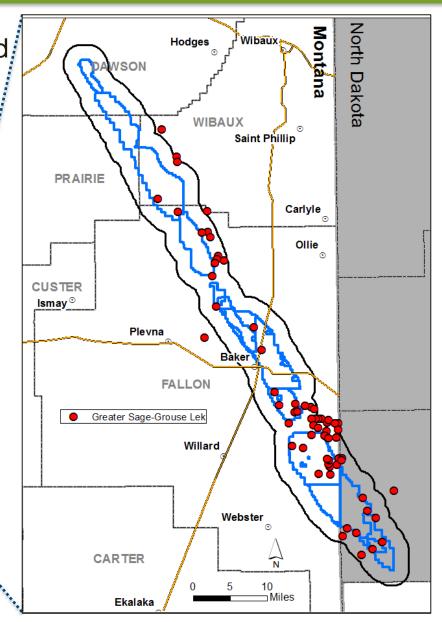
# **Project Area: Cedar Creek Anticline**



 Surveys limited to leks in Montana and a few along the border with North Dakota

 Leks in North Dakota surveyed by NDGFD







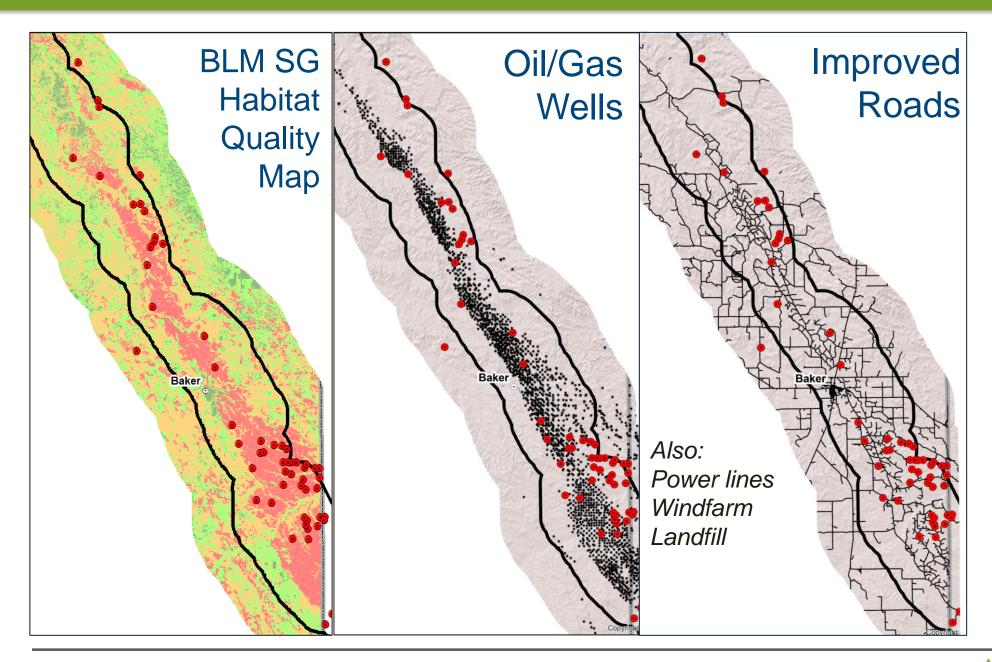
# **Example of Typical Lek Location**



Grassland-dominated landscape low density sagebrush o eastern-most fringe of current range

# **Landscape Features of Project Area**







# **RESULTS: Sage-Grouse Lek Counts**



Parameter	2007	2008	2009	2010	2011	2012	2013	Mean
Leks counted	37	38	42	44	44	44	44	42
Males/lek	8.92	5.18	5.29	5.14	5.57	6.00	4.55	5.81
Active leks	21	22	21	22	22	23	22	21.86
% active leks	57	58	50	50	50	52	50	52.42
Males/active lek	15.71	8.95	10.57	10.27	11.14	11.48	9.09	11.03
Population Growth Rate*		0.565	0.966	1.040	1.161	1.019	0.775	0.92

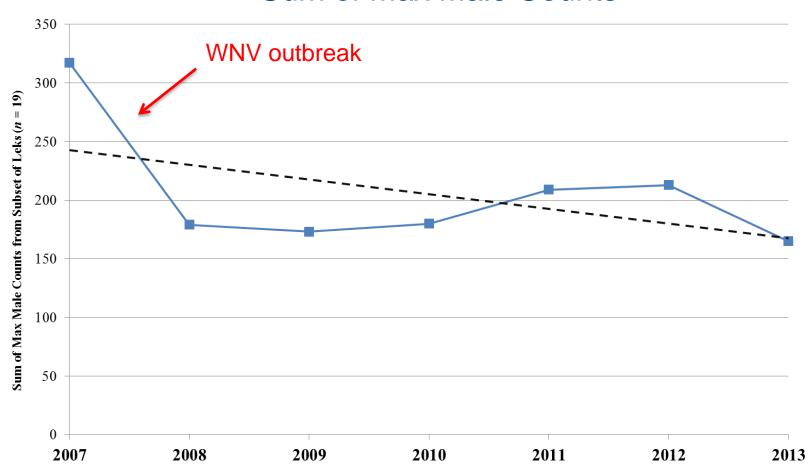
<sup>\*</sup> Calculated using subset of leks (n = 19), all active in 2007 and surveyed annually since.



# Trends: Overall Sage-Grouse Lek Attendance



#### Sum of Max Male Counts

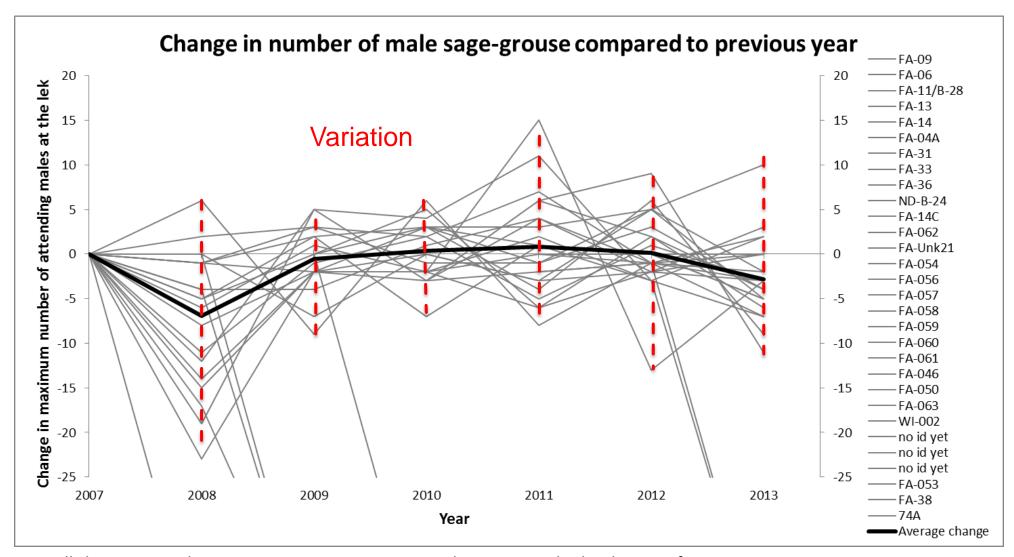


Index based on subset of (n = 19) leks, all of which were active during the 1<sup>st</sup> year of monitoring and have been surveyed consistently each year since.



### **Trends: Collective Patterns and Variation**





All changes are relative to 2007 counts, so 2007 numbers are standardized to zero for comparative purposes

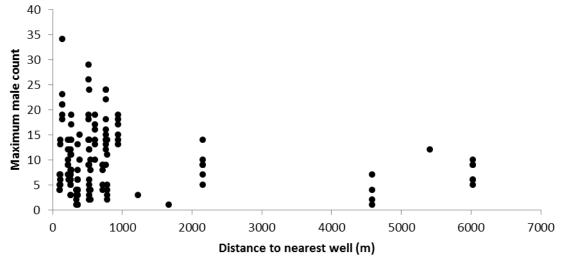


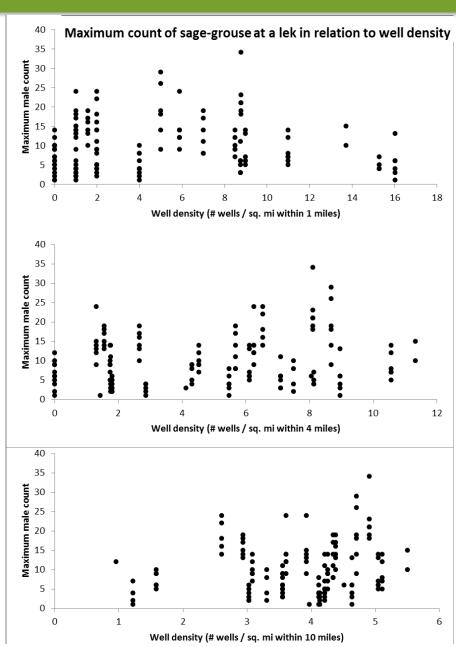
#### **Abundance In Relation to Oil/Gas Wells**



- Max male count relative to the proximity to and density of oil/gas wells
- Considered well data from 2006 (displayed below) and 2013
- Used scales of 1, 4, and 10 sq. miles for well density
  - No apparent pattern regarding abundance in relation to oil/gas features at these scales

Maximum count of sage-grouse at a lek in relation to distance to the nearest well





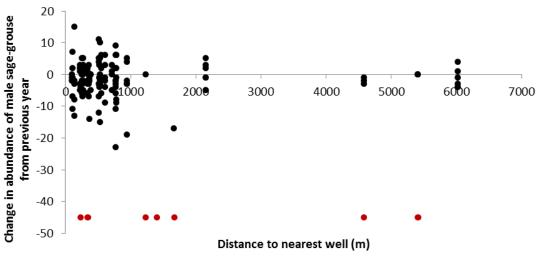


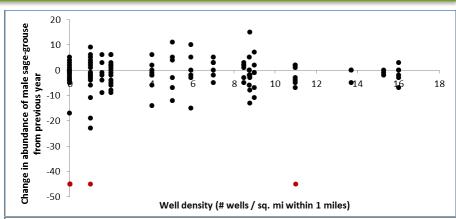
### Change in Abundance in Relation to Oil/Gas Wells

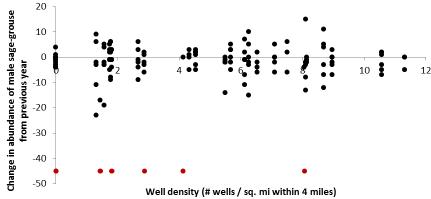


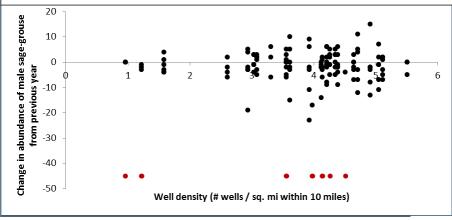
- Change in abundance from the previous year relative to proximity to and density of oil/gas wells
- Considered well data from 2006 (displayed below) and 2013
- Used scales of 1, 4, and 10 sq. miles for well density
  - No apparent relationship between change in abundance and proximity/density of oil/gas features, at these scales

Change in abundance of sage-grouse at a lek from previous year in relation to proximity to well





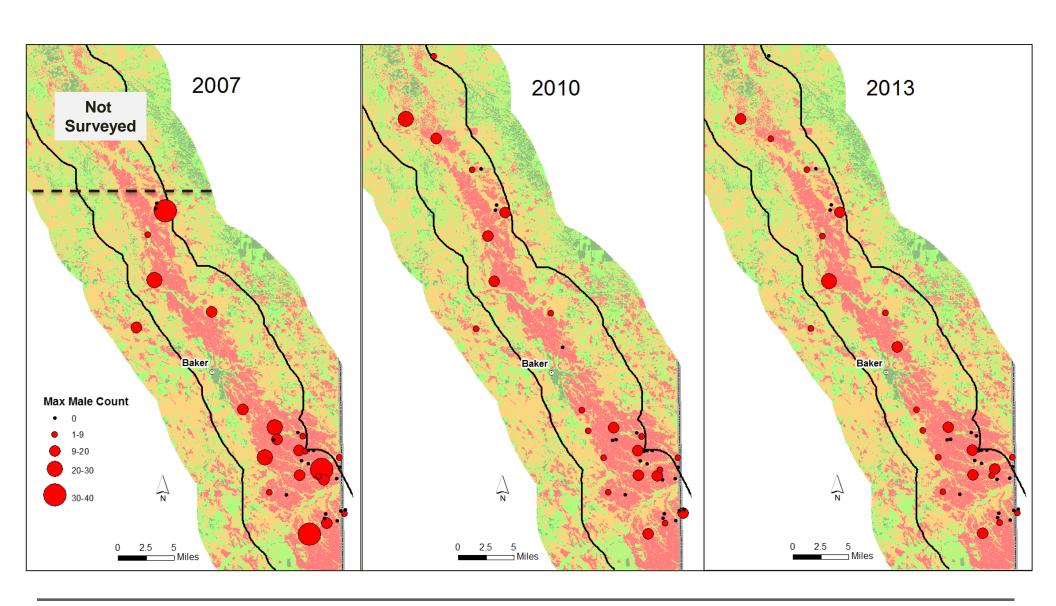






# **Trends: Spatial Patterns of Male Attendance**





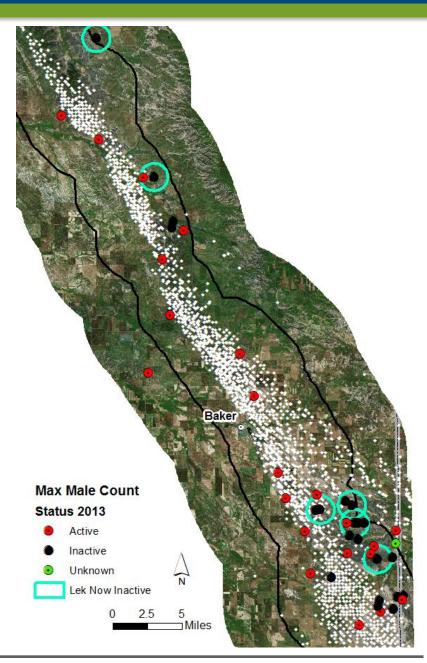


# Lek Persistence: Spatial Patterns



Lek Status Change Categories	2007-2013
# leks active >1 yr between 2007-2013	28*
leks remaining active in 2013	22 (78.6%)
previously active leks inactive in 2013	6 (21%)

<sup>\*</sup> Includes 15 leks found by HWA or others since 2007

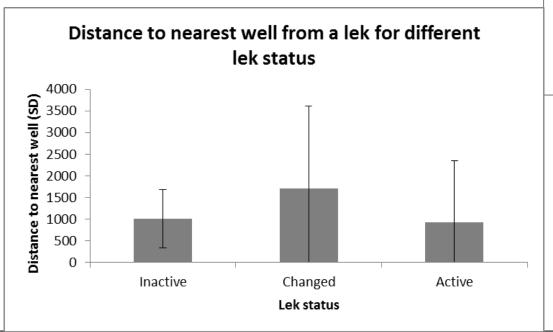


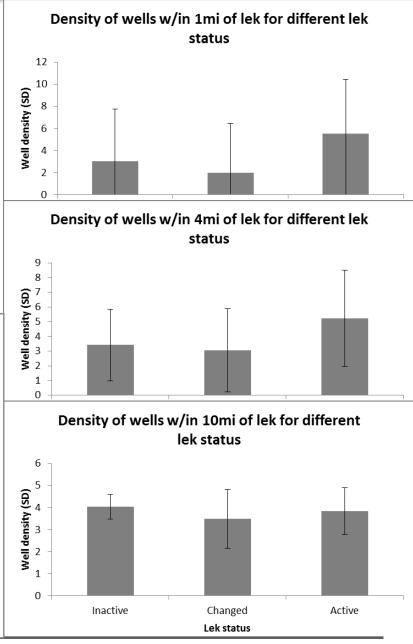


### **Trends: Lek Status Relative to Oil/Gas Wells**



- Comparison of lek status 2007-2013 relative to proximity to and density of oil/gas wells
- Considered well data from 2006 (displayed below) and 2013
- Used scales of 1, 4, and 10 sq. miles for well density
  - No apparent difference among status categories relative to oil/gas features
  - If anything, results are opposite of conventional expectations







#### Previously Active Leks That Are Now Inactive— Some Observations



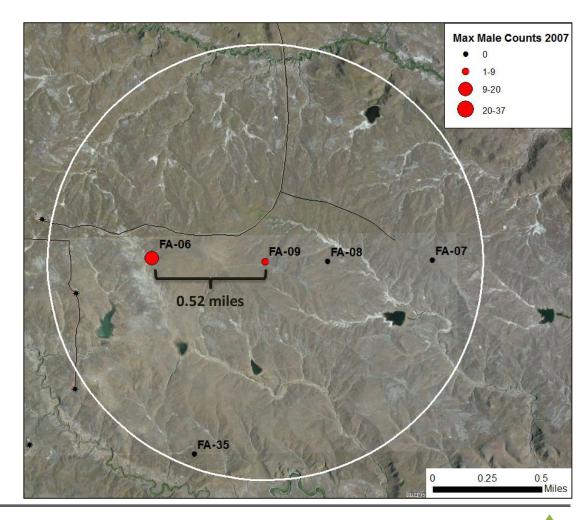
- Not always as clear-cut as it seems
- Of the six previously active leks that are now inactive:
  - 2 are believed to be satellite leks
  - 1 was a very small "new" lek that we believe moved to a different location nearby
  - 2 declined for no obvious reason; one is completely outside the oil/gas development and one is on the edge of low density development
  - 1 was clearly disturbed by a wind farm

# Example #1: Lek Status Active → Inactive



Lek ID	2007	2008	2009	2010	2011	2012	2013
FA-09	2	0	0	0	0	0	0

- MTFWP lek location
- 2 males on last survey in 2007 only
- 0.52 miles from established lek
- One oil/gas well within 1 mile
- Suspected satellite lek location



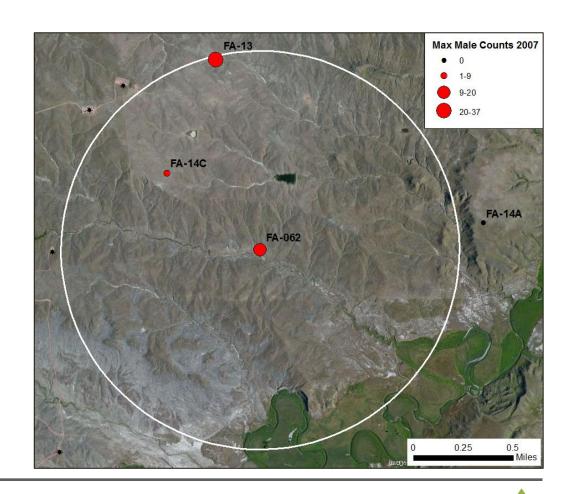


# **Example #2: Lek Status Active**→**Inactive**



Lek ID	2007	2008	2009	2010	2011	2012	2013
FA-062	18	1	0	0	0	0	0

- BLM "unknown" lek location
- Confirmed in 2007
- Males observed flying from FA-13 in direction of FA-062
- 0 oil/gas wells within 1 mile
- Suspect lek is part of threelek complex rather than independent

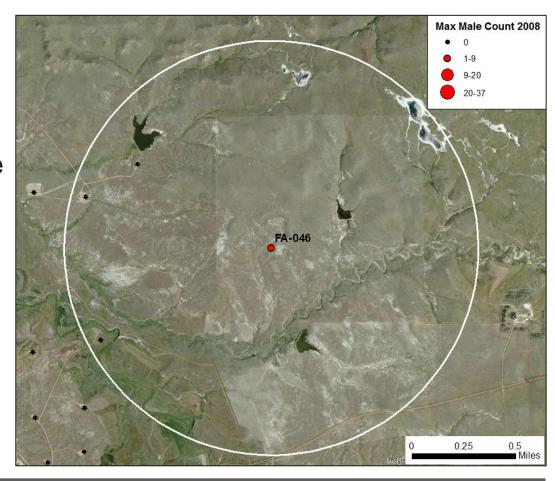


# Example #3: Lek Status Active → Inactive



Lek ID	2007	2008	2009	2010	2011	2012	2013
FA-046		3	0	0	0	0	0

- Reported by other surveyor in 2007
- Confirmed active with multiple observations of >2 males in 2008, but inactive since 2008.
- Three oil/gas wells within 1 mile
- Arguably should not have been listed as confirmed unless active another year





#### **Main Points**



- Using 2007 as a baseline, the population declined ~40% following the outbreak of WNV during the summer of 2007 and has yet to recover to previous levels
- 2) No obvious relationship detected between declines in male abundance or lek persistence in relation to oil/gas wells during the past seven years
- 3) To the contrary, active leks tended to be in areas with higher well densities than inactive leks, which is likely a function of extensive overlap between the distribution of sagebrush habitat and the oil/gas resources
- 4) Trends and patterns from the past 7 years may not be reflective of the years prior to 2007 nor do we know if 2007 is an appropriate baseline.



## **Main Points (cont.)**



- 5) Even as many leks have declined since 2007, most have persisted even in close proximity to oil/gas wells
- 6) Disturbance did not appear to be a factor in at least 4 of 6 cases of previously-active leks becoming inactive
- 7) Clearly more comprehensive statistical analyses are needed, in which multiple natural and anthropogenic features are considered, for identifying the most important factors influencing male lek attendance and persistence











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## Example #4: Lek Status Active → Inactive



Lek ID	2007	2008	2009	2010	2011	2012	2013
FA-053	10	6	0	0	0	0	0

- Found in spring 2007
- Believe this was the new location for FA-Unk12
- Many oil/gas wells and within 1 mile of landfill
- Wind farm constructed summer 2007
- Turbine unknowingly sited on lek location
- Inactive 2-years postconstruction of windfarm

